

Corporate Mobile Users and Their Impact on Mobile Number Portability (MNP) in Reliance HR Services Ltd, Chennai

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ABSTRACT

Mobile number portability (MNP) is the process of transferring (porting) your mobile phone number from one mobile phone network provider to another. Mobile number porting is becoming increasingly popular worldwide due to the savings that can be made by switching mobile phone providers in order to get a better mobile phone tariff. Service provider portability (commonly referred to as Mobile Number Portability). Service provider portability or Mobile Number Portability is the ability of end users to retain existing directory numbers at the same location as they change from one service provider to another.

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INTRODUCTION

Mobile number portability (MNP) enables mobile telephone users to retain their mobile telephone numbers when changing from one mobile network operator to another. For the consumer: a. Keep their telephone number no matter who their operator is b. Maintain their identity and contacts c. Better service bundles with lower prices. 2. For the industry a. Updated networks which result in better services b. One less barrier for competition, making competition on a fairer basis c. less entry barriers for new entrants.

1.1 Research Framework

1.1.1 Problem Definition:

Major porting of mobile operators by corporate was expected with the introduction of Mobile Number Portability (MNP). Hence the study was initiated to analyze the porting needs of corporate and their state of action with MNP in place.

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1.1.2 Scope:

The study is helpful to create awareness about MNP in the minds of corporate, to make them understand about the state of their mobile operator and to influence the corporate in porting their mobile operators through MNP. This study will be a base for future researches on MNP.

1.1.3 Objective:

- To study about the mobile users and their impact on Mobile Number Portability (MNP).
- To know the Mobile Service Provider used by Corporate.
- To study the level of experience of corporate mobile users in the current mobile sector.
- To find about the expectations of corporate in fixing a Mobile Service Provider.
- To study the perception and approach of Corporate on MNP.
- To know about the average expenditure on mobile connections.

RESEARCH METHODOLOGY

2.1 Descriptive Research:

Descriptive research is a research in which the research may try to describe a single event or characteristic through distribution or may try to relate a few events or variables through statistical analysis.

2.2 Nature of Data:

The nature of data collected was primary through the help of questionnaires. Questionnaire is a set of questions in that the respondent has to answer. The answers will be tabulated, analyzed and final conclusions and recommendations will be drawn from it.

2.3 Statistical Tools Used for Analysis:

The data collected from the sources are classified, tabulated and analyzed by using the Chi-square Test and Weighted Average Method.

2.4 Sample Size:

A sample size of 110 respondents (Corporate) has been taken for the purpose of the project. Area of sampling is Chennai.

2.5 Review of Literature:

Nikam, Ganesh, Tamizhchelvan (2004), Analyses that changing face of India in bridging the digital device. He reiterated - "India lives in villages" said the Father of the Nation, Mahatma Gandhi. With 1,000 million people and 180 million households, India is one of the biggest growing economies in the world. With the advent of the Information, Communication and Technology (ICT) revolution in India.

Villages are slowly but steadily getting connected to the cities of the nation and the world beyond. Owing to the late Rajiv Gandhi, India is now a powerful knowledge economy, and though India may have been slow to start, it certainly has caught up with the West and

is ahead in important respects. The Government, the corporate sector, NGOs and educational institutions have supported rural development by encouraging digital libraries, e-business, e-learning and e-governance.

Shah (February, 2009), Has analyzed Indian telecom industry and studied the sector keeping in mind three companies; namely Bharti, R. Comm and idea in the background of recent global meltdown. The study suggests that though there is no sign of slowdown in this sector, but surely a strong turmoil is going on in the industry. The study states that the sector is fairly immune from the current economic downturn & does provide a good defensive bet in medium term. With the help of newer technologies, wireless penetration is expected to increase in the near future, which is basically fuelling the growth of the sector. While the 3G / Broadband adoption would ensure long term growth momentum, the article has thoroughly investigated about the intense competitive scenario, pricing pressure, high capital intensity & substantial regulatory uncertainties currently faced by the industry. The article has also described the cause of being relatively safe of this industry. The causes described by Shah are increasing rural coverage, rising affordability, declining handset/subscription costs, substantially low tariffs & established brand/distribution. However, the study also cautions the telecom industry that a steeper economic slowdown could start impacting the subscriber usage patterns as well as operator capital investments & thereby could substantially restrict revenue growth rates going forward.

Mobile number portability more attractive to India's postpaid users and high spenders, the introduction of Mobile Number Portability is considered good news for consumers, but presents a looming threat for mobile operators since it presents consumers with the choice of retaining their current mobile phone numbers even if they change their operator.

And according to a recently conducted Mobile Consumer Insights study conducted by The Nielsen Company to gauge consumer attitudes and behavior towards mobile operators in India.

It seems that close to one in five (18%) Indian mobile phone subscribers would change their mobile operator if Mobile Number Portability is introduced into the market. Among the respondents, one in four Reliance and Tata Indi com subscribers would be keen to change their operator if Mobile Number Portability is introduced, followed by close to one in five (19%) of BSNL subscribers. In the third consecutive round of the Mobile Consumer Insights study by Nielsen in India, 12,500 mobile subscribers were surveyed across 50 centers in India. Nielsen augments the study with objective measurement of network performance, with the Consumer Insights part of the study measuring metrics such as satisfaction, willingness to recommend, reasons for churn and reasons for operator selection.

"Mobile Number Portability represents a powerful opportunity for operators to drive in-bound porting of high-value subscribers provided they have a good understanding of who is more likely to switch and why," said Shankar Panchapakesan, Executive Director, Telecom Practice, The Nielsen Company, India.

According to the Nielsen Mobile Consumer Insights study, high spenders, postpaid subscribers and business subscribers show a greater tendency to switch if Mobile Number Portability is introduced. Prepaid, low and medium spend users are not motivated to switch.

Postpaid subscribers have almost double the minutes of usage compared to pre-paid subscribers and the incidence of data application usage is also higher among postpaid and high spenders. Vodafone has the highest postpaid subscriber base in India. "When Mobile Number Portability was introduced in the US, price/promotions were by far the leading drivers of acquisition. Ultimately the operator who leveraged the propensity of subscribers to choose based on price/promotions was successful in riding the Mobile Number Portability wave. In India, Mobile Number Portability can be leveraged by operators through smart, targeted marketing and promotions to coincide with the introduction of the facility," continued Panchapakesan.

2.6 Portability by Country:

2.6.1 United States:

In the United States, the FCC first mandated LNP among wire line carriers in 1997, as well. LNP was first implemented in the U.S. upon the establishment of the original Number Portability Administration Center (*NPAC*) in Chicago, Illinois in 1998.

2.6.2 Hong Kong:

In Hong Kong, fixed line number portability is available since July 1, 1995, the same day of fixed line telephone market liberalization (*i.e.*, reversal of franchised monopoly), which was a requirement from the government. Mobile number portability is available since March 1, 1999.

2.6.3 India:

Mobile number portability launched in India in Haryana state on 25 November 2010.

ANALYSIS AND INTERPRETATION

3.1 Chi – Square Analysis:

3.1.1 Current Service Provider and Network Coverage Satisfaction Level:

- H_0 : There is no significant association between current service provider and network coverage satisfaction level.
- H_1 : There is a significant association between current service provider and network coverage satisfaction level.

Degree of Freedom = (Row – 1)*(Column – 1) = (5-1) * (3-1) = 8. Level of significance = 0.05.

Table 1

Observed Frequency	Expected Frequency	$F_o - F_e$	$(F_o - F_e)^2$	$(F_o - F_e)^2 / F_e$
15	15.9	-0.9	-0.81	-0.0509
15	13.97	1.03	1.0609	0.0759
12	11.34	0.66	0.4356	0.0384
12	12.83	-0.83	-0.6889	-0.0536
14	13.9	0.1	0.01	0.0007
17	14.6	2.4	5.76	0.3945
25	27.38	-2.38	-5.6644	-0.2068
Total				0.1982

Table 2

Observed Frequency	Expected Frequency
7	5.45
8	10.45
9	8.07
6	5.90
12	11.34
8	8.74
4	4.09
8	7.85
6	6.05
4	5
13	9.6
5	7.4
4	4.54
7	8.72
9	6.72

Table 3

Current Service Provider	Network Coverage Satisfaction Level			Total
	Highly Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	
Vodafone	7	8	9	24
Airtel	6	12	8	26
Aircel	4	8	6	18
Tata	4	13	5	22
BSNL	4	7	9	20
Total	25	48	37	110

$$X^2 \text{ Tabulated} = 15.51$$

$$X^2 \text{ Calculated} = 0.1982$$

Inference: From the above analysis the calculated value is lesser than the tabulated value, so accept the null hypothesis, therefore there is significant association between the current service provider and network coverage satisfaction level.

3.1.2 Current Service Provider and Mobile Operator Change Approach by MNP:

- **H₀:** There is a significant association between current service provider and mobile operator change approach by MNP.
- **H₁:** There is no significant association between current service provider and mobile operator change approach by MNP.

Table 4

Observed Frequency	Expected Frequency	$F_o - F_e$	$(F_o - F_e)^2$	$(F_o - F_e)^2 / F_e$
11	9.4	1.6	2.56	0.2723
11	12.6	-1.6	-2.56	-0.2031
17	17.51	-0.51	-0.26	-0.0148
24	23.48	0.52	0.27	0.0114
24	23.99	0.01	0.0001	0.000004
12	11.99	0.01	0.0001	0.000004
11	11	0	0	0
Total				0.065808

Table 5

Observed Frequency	Expected Frequency
4	1.8
7	7.6
11	12.6
0	3.35
17	14.16
24	23.48
2	1.96
6	8.29
16	13.74
1	0.98
4	4.14
7	6.87
2	0.9
4	3.8
5	6.3

Table 6

Current Service Provider	Mobile Operator Change Approach by MNP			Total
	Yes	No	Don't Know	
Vodafone	4	7	11	22
Airtel	0	17	24	41
Aircel	2	6	16	24
Tata	1	4	7	12
BSNL	2	4	5	11
Total	9	38	63	110

$$X^2 \text{ Tabulated} = 15.51$$

$$X^2 \text{ Calculated} = 0.065808$$

Inference: From the above analysis the calculated value is lesser than the tabulated value, so accept the null hypothesis, therefore there is significant association between the current service provider and mobile operator change approach by MNP.

3.2 Weighted Average Method:

3.2.1 Valuation of a Mobile Phone Operator:

Table 7

Parameter	Highest Value	High Value	Average	Low Value	Least Value	Weighted Average	Rank
Network	44	49	7	5	5	4.10	3
Tariff	48	37	25	0	0	4.20	1
Value Added Services	31	49	20	8	2	3.9	5
Customer Service	58	29	13	6	4	4.19	2
New Schemes	50	30	21	4	5	4.05	4

Inference: Through weighted average method, it is found that respondents feel that tariff is the most valuable factor for fixing a mobile operator, followed by customer service and network coverage.

RESULT AND DISCUSSION

4.1 Findings:

4.1.1. From Chi-Square Test:

- ✓ It is inferred that there is significant association between the current service provider and network coverage satisfaction level.
- ✓ It is inferred that there is significant association between the current service provider and mobile operator change approach by MNP.

4.1.2. Through Weighted Average Method:

- ✓ It is found that respondents feel that tariff is the most valuable factor for fixing a mobile operator, followed by customer service and network coverage.

4.2 Suggestion:

- ✓ Awareness about benefits of corporate in MNP has to be made.
- ✓ Corporate mobile plans has to be in customized format to gain loyalty.
- ✓ Good Network coverage provides long term benefits to Mobile service provider.
- ✓ Tariff Plan is the prime factor in the selection of mobile service provider.
- ✓ Customer care service must be given more importance with immediate redressal.

CONCLUSION

From the study it was found that corporate expects more starting from favorable tariff plan to good network coverage and effective customer service. Competitive mobile service plan will arouse interest in corporate. Gaining the Loyalty is the most important

thing in corporate mobile services. Mobile number Portability is a boon for upcoming mobile operators. It removes the barrier of neutral mobile subscribers in changing their mobile operator.

MNP was a major advantage for mobile subscribers and mobile clients. Sustainable position can be achieved by the mobile operators by forecasting the porting needs of corporate and periodical introduction of attractive plan.

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